



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: May 14, 2003 REPORT NO. 03-098

ATTENTION: Honorable Mayor and City Council
Docket of May 20, 2003

SUBJECT: Amendments to the Formation Procedures for Six (6) Project Area Committees

SUMMARY:

Issue - Should the City Council approve amendments to the Formation Procedures for six (6) Project Area Committees?

City Manager's Recommendation – Approve the Amendments as discussed in the Manager's Report.

Fiscal Impact – None with this action.

Environmental Impact - This activity is not a “project” and is therefore exempt from CEQA pursuant to the State CEQA Guidelines Section 15060 (c) (3).

BACKGROUND:

California Community Redevelopment Law (i.e., Section 33385 of the California Health and Safety Code) requires the legislative body of a city to call upon the residents and existing community organizations in a redevelopment Project Area to form a Project Area Committee (PAC) if a substantial number of low-or moderate-income persons reside within the Project Area, and the redevelopment plan will contain authority for the redevelopment agency to acquire, by eminent domain, property on which any persons reside; or the redevelopment plan contains one or more public projects that will displace a substantial number of low-or moderate-income persons. The minimum statutory limitation for retaining a PAC is three (3) years after the adoption of a redevelopment plan. Beyond this minimum, the life of a PAC may be extended annually, which usually occurs in conjunction with its annual election cycle.

The Redevelopment Division of the City's Community & Economic Development Department (CED) administers six (6) PAC's. Each PAC advises the Redevelopment Agency of the City of

San Diego (Agency) regarding implementation activities within their respective Project Area (i.e., Barrio Logan, City Heights, College Community, Crossroads, North Bay, and North Park). Each PAC is elected and conducts its business in accordance with its specific PAC formation procedures that were adopted individually by the City Council. These procedures address the purpose and authority of the PAC, define the PAC's composition and membership, establish eligibility requirements for the term of membership, set procedures for conducting elections, etc. Though the overall format of the formation procedures is fairly standardized, each PAC's composition is unique to the Project Area that it serves as well as PAC election/protocol. Each PAC adopts its own bylaws that are not subject to ratification by the City Council or Agency.

Information regarding each of the six (6) Project Area Committees follows:

The Barrio Logan PAC was formed in October of 1989 and consists of thirteen (13) members. The PAC meets every 3rd Wednesday at Barrio Station, 2175 Newton Avenue and conducts annual elections in May.

City Heights PAC was formed in September 1999 and consists of twenty (20) members. The PAC meets the 2nd Monday of every month at the City Heights Library, 3795 Fairmont Avenue and conducts annual elections in November.

College Community PAC was formed in September 1992 and consists of fourteen (14) members. The PAC meets every 1st Tuesday of every even-numbered month at the International Student Center on 55th Street and conducts annual elections in October.

Crossroads PAC was formed on July 8, 2002 and consists of fifteen (15) members. The PAC meets every 4th Thursday at the Villa View Community Center, 5550 University Avenue and will not conduct its next election until May, 2006.

North Bay PAC was formed in November 1997 and consists of twenty-six (26) members. Officially the PAC meets every quarter, although they have been meeting the 1st Wednesday of every month at the Peninsula Community Service Center, 3740 Sports Arena Blvd. The annual PAC election is held in October.

North Park PAC was formed in January 1991 and consists of twelve (12) members. The PAC meets the 2nd Tuesday of every month at the North Park Community Service Center, 3956 30th Street and conducts annual elections in February.

CED has established internal cost accounting procedures to monitor the staff and Non-personnel expenditures associated with administration of each PAC. The combined Fiscal Year 2003 department cost for administration of all CED-administered PAC's, including public noticing and advertising associated with annual elections, is approximately \$175,000. Annual costs are anticipated to increase as PAC's deal with more implementation activities involving affordable housing and Agency-assisted projects.

DISCUSSION:

On July 8, 2002, the City Council directed the City Manager to address the validity of candidates to be eligible to serve as PAC members. The issue arose in conjunction with the City Council's ratification of the Crossroads PAC election, but was subsequently deemed to apply to the procedures of all six PAC's administered by the Redevelopment Division, CED.

The issue was scheduled to return to the Council in the fall of 2002; however, it was deemed more practical to complete the current Fiscal Year 2003 PAC elections prior to consideration of any procedural changes.

In addition to the issue of candidate eligibility within a given membership category, staff has identified additional issues/topics where standardization among the PAC's would appear to be appropriate with respect to the Council ratifying the outcome of future PAC elections.

Attachment 1 details the recommendations presented to the PAC's, and provides a summary of each PAC's response to the staff recommendations. Only staff recommendations #3 and #6 above were unanimously endorsed by all of the PAC's. Recommendations were split on all of the remaining items. In addition, several PAC's expressed a unique point of view regarding specific issues.

STAFF RECOMMENDATION

Though staff understands the desire of individual PAC's to maintain procedures that are unique to their Project Area and specific needs, staff recommends the following standardization of the procedures (Note: revised/additional text resulting from discussions with the PAC's is underlined):

1. Establish a 72-hour deadline (consistent with PAC noticing requirements) for receipt of candidate materials to be eligible for PAC election; further, no write-in candidates shall be allowed.
2. Establish that a business or property owner (BUSINESS category) may EITHER vote by him/herself OR may designate in writing (with appropriate documentation) ONE person to vote as proxy on behalf of that business or property. Also require the property or business owner voter proxy be submitted "no later than 72 hours prior to the election".
3. Regarding candidate eligibility for the BUSINESS category, require two (2) forms of identification with at least one being a property tax bill, lease, deed to property, or other document proving business activity is conducted at the address indicated on the Business Tax Certificate.

4. Regarding the COMMUNITY ORGANIZATIONS category (including “AT LARGE”), change the eligibility time requirement to “at least two years prior to the current PAC election date.” Current PAC Formation Procedures require that a community organization be in existence prior to original formation of the PAC, which exceeds a decade for some PAC’s.
5. Regarding the maximum size of a PAC, delete this requirement (minimum or maximum size). This issue was addressed by only one PAC (i.e., North Bay). When creating new PAC’s, staff will continue to recommend a size of 15 or less members due to administrative costs including elections.
6. Utilize the City Clerk to administer a “coin toss” in order to resolve tie PAC election votes rather than the far more costly run-off election procedure. Run-off elections, which often draw no more than 5 to 10 voters, are the norm in most Project Areas.
7. The City Clerk has assumed the responsibility to administer the filing of PAC member Form 700 (Conflict of Interest Form).
8. For PAC’s which have exceeded the 3-year statutory “post plan adoption” requirement (PAC’s are required to remain in existence for a minimum of 3 years after adoption of a redevelopment plan), obtain Council approval to hold PAC election prior to noticing and conducting the annual election, and concur with a one-year PAC extension no more than 90-days prior to the actual election date. The current procedure calls for noticing and conducting PAC elections with the Council being asked to subsequently ratify election results and extend the PAC term for another year.
9. Regarding the definition of “Business” it is recommended the definition be revised as follows: “Business means any lawful activity conducted by a for profit ~~or non-profit~~ entity only within the Project Area whose overall function and purpose are primarily (1): For the purpose, sale, lease, or rental of personal and real property, and for the manufacture, processing or marketing of products, commodities, or any other personal property; or (2) For sale of services to the public. (Note: As some non-profit businesses are also eligible in the community organization category, staff and at least one PAC consider this an unfair advantage. Inclusion of non-profits could reduce the number of PAC membership opportunities for the majority of “for profit” businesses.)

Approval of the staff recommendations should minimize irregularities associated with PAC elections, and preclude administrative errors that could occur by having to interpret the unique election procedures/definitions associated with each PAC.

Subsequent to this action, staff will return with the appropriate amendments and resolutions to

revise each PAC's procedures implementing the Council's direction.

ALTERNATIVES

Continue to allow individual PAC's to have unique formation procedures and definitions regarding eligibility for PAC membership.

Respectfully submitted,

Hank Cunningham
Community and Economic Development Director

Approved: Bruce Herring
Deputy City Manager

Note: The attachment is not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachment:

1. Staff and PAC Recommendations Regarding Proposed Amendments to PAC Procedures